GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:4663
ANSWERED ON:09.05.2007
TARIFF STRUCTURE IN THE PORTS
Reddy Shri Magunta Sreenivasulu

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the business of ports in India has shifted to the neighbouring International Ports due to present tariff structure in the ports;

(b) if so, the details thereof; and

(c) the measures taken by the Union Government to revise the tariff structure to attract International Shipping Companies?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a) & (b): No such information has been received which may indicate that the business meant for the major ports in India has shifted to the neighbouring international ports due to the present tariff structure in the Major Ports.

(c): The Ministry of Shipping, Road Transport & Highways, Department of Shipping has approved the revised set of tariff guidelines for fixing tariff in Major Port Trusts in March 2005 after extensive consultation, both at the level of Tariff Authority for Major Ports (TAMP) and the Government, with all the relevant stakeholders. The salient points of the revised guidelines of 2005 are as follows:

(i) A cap of 15% prescribed on return on capital employed by major port trusts/private operators.

(ii) Royalty/revenue share payable by private operator to land lord port is not allowed as pass through in tariff so that users will not bear the burden.

(iii) Rates fixed by TAMP act as ceiling. Ports / operators have flexibility to reduce the tariff or allow discounts based on the commercial requirements.

(iv) Users not responsible for delays caused by the port / operator.

(v) Composite pilotage fees are unbundled so that users will pay only for those services availed by them.

(vi) Three tier sliding pilotage fee prescribed with lower rates for bigger vessels.

(vii) Concessional tariff is prescribed for handling transshipment containers in order to promote transshipment at Indian Ports.